

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:1464

ANSWERED ON:25.07.2017

Making PDS Transparent

Chudasama Shri Rajeshbhai Naranbhai;Sahu Shri Chandu Lal

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Union Government has taken several steps during the last three years to make Public Distribution System (PDS) transparent and consumer friendly, if so, the details and the outcome thereof;
- (b) whether the Union Government has fixed any target to ensure PDS leakage proof and if so, the details thereof along with the progress made in this regard so far;
- (c) whether any technology upgradation has been undertaken by the Government to reduce the leakage in the distribution of foodgrains, if so, the details thereof;
- (d) the steps the Government has taken based on the recommendations of the Shanta Kumar Committee report on improving efficiency of FCI; and
- (e) the steps taken to improve the quality check of the foodgrains procured by FCI?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION

(SHRI C. R. CHAUDHARY)

(a) to (c) For effective implementation of Public Distribution System (PDS), Government is implementing of a scheme on "End-to-end Computerization of Targeted Public Distribution System (TPDS) Operations". The component-I of the scheme comprises digitization of ration cards/beneficiary and other databases, online allocation, computerization of supply-chain management, setting up of transparency portal and grievance redressal mechanisms. Besides, Central Govt. has also asked States/UTs to opt for any of the two models of Direct Benefit Transfer – Cash transfer of food subsidy into the bank account of beneficiaries or Fair Price Shop (FPS) automation, which involves installation of Point of Sale (PoS) device at FPS, for authentication of beneficiaries and electronic capturing of transactions. The cash transfer of food subsidy is being implemented in 3 UTs namely Chandigarh, Puducherry w.e.f. 1-9-2015 and partially in Dadra & Nagar Haveli w.e.f. 1-3-2016. So far, more than 2,45,706 FPSs are automated across the country. A Statement showing the progress made under 'End-to-end Computerisation of TPDS Operations' is at Annexure-I.

...2/-

...2...

(d): The steps taken by the Government of India on the recommendation of the Shanta Kumar Committee (HLC) is at Annexure-II.

(e): Instructions are issued from time to time to State Governments and FCI as summarised below:-

I. Only good quality foodgrains free from insect infestation and conforming to Food Safety Standards are to be issued under TPDS and other welfare schemes.

II. Ample opportunities are to be provided to the officials of the State/UT Governments to inspect the stocks prior to lifting from FCI godowns. States/UTs may ensure that officers not below the rank of Inspector are deputed for inspection of the foodgrains before their lifting from FCI godowns.

III. The samples from the stocks to be issued to States/UTs under TPDS and other welfare schemes are to be drawn jointly and sealed by the officers of the State Governments and FCI for displaying them at the counter of Fair Price Shops for the benefit of consumers. A duplicate sealed sample is to be kept with concerned FCI depots / godowns for any future reference. In case the State agencies are taking delivery from FCI and thereafter delivering the same to the FPS dealers, they should also follow the same procedure as is being followed by FCI for issuing the jointly sealed samples.

IV. Type sealed samples should be displayed by the FPS dealers in their shops, so that the ration card holders /consumers may check the quality of foodgrain supplied to them. FPS dealers should also maintain a complaint register to enable the consumers to lodge their complaints / opinions, in case the quality of foodgrains issued is not of proper quality standards.

V. State/UT Governments to ensure that during transportation and storage at different stages in the distribution chain, the foodgrains retain the required quality specifications. For this purpose, all required measures are to be taken for scientific storage of foodgrains so that there is no deterioration in their quality at any stage till they are delivered to the ration card holders /consumers.

VI. Where decentralized procurement is in operation, State Government should follow the same procedure of inspection of foodgrain stocks and joint sealed sampling to ensure that the quality of foodgrains issued under TPDS and other welfare schemes meet the desired standards under the Food Safety Standards Act.

ANNEXURE-I

ANNEX REFERRED TO IN REPLY TO PARTS (a) to (c) OF UNSTARRED QUESTION NO 1464 TO BE ANSWERED ON 25TH JULY, 2017 IN LOK SABHA.

Status of End-to-End Computerization of PDS Operations

(as on 18.07.2017)

Sl.

States/UTs

Digitization of Ration Cards

Aadhaar Seeding in RCs

Online Allocation of Foodgrains

Computerization
of Supply-chain Management
Transparency Portal
Online Grievance Redressal
Toll Free Helpline Numbers
Operational ePoS

1

Andhra Pradesh

100%

100%

Implemented

Implemented

Yes

Yes

Yes

28,643

2

A& N Islands

100%

100%

Implemented

Implemented

Yes

Yes

Yes

373

3

Arunachal Pradesh

100%

45%

-

-

Yes

-

Yes

0

4

Assam

100%

0%

Implemented

-

Yes

Yes

Yes

0

5

Bihar

100%

69%

Implemented

Implemented

Yes

Yes

Yes

59

6

Chandigarh

100%

100%

NA

NA

Yes

Yes

Yes

0

7

Chhattisgarh

100%

98%

Implemented

Implemented
Yes
Yes
Yes
12,176
8
D& N Haveli
100%
96%
Implemented
Implemented
Yes
Yes
Yes
62
9
Daman & Diu
100%
100%
Implemented
Implemented
Yes
Yes
Yes
51
10
Delhi
100%
100%
Implemented
Implemented
Yes
Yes
Yes
17
11
Goa
100%
91%
Implemented
Implemented
Yes
Yes
Yes
42
12
Gujarat
100%
95%
Implemented
Implemented
Yes
Yes
Yes
17,197
13
Haryana
100%
86%
Implemented
Implemented
Yes
Yes
Yes
9,507
14
Himachal Pradesh
100%
91%
Implemented
Implemented

Yes
Yes
Yes
4,176
15
Jammu and Kashmir
100%
45%
Up to TSOs
-
Yes
-
Yes
0
16
Jharkhand
100%
97%
Implemented
Implemented
Yes
Yes
Yes
23,115
17
Karnataka
100%
100%
Implemented
Implemented
Yes
Yes
Yes
6,336
18
Kerala
100%
98%
Implemented
-
Yes
Yes
Yes
0
19
Lakshadweep
100%
98%
-
NA
Yes
Yes
Yes
0
20
Madhya Pradesh
100%
91%
Implemented
Implemented
Yes
Yes
Yes
22,401
21
Maharashtra
100%
87%
Implemented
Implemented
Yes

Yes
Yes
41,085
22
Manipur
100%
22%
Partial
-
Yes
Yes
Yes
0
23
Meghalaya
100%
0%
-
-
Yes
Yes
Yes
0
24
Mizoram
100%
45%
Implemented
-
Yes
Yes
Yes
0
25
Nagaland
100%
7%
-
-
Yes
Yes
Yes
0
26
Odisha
100%
88%
Implemented
Implemented
Yes
Yes
Yes
13,305
27
Puducherry
100%
100%
NA
NA
Yes
Yes
Yes
0
28
Punjab
100%
97%
Implemented
-
Yes
Yes

Yes
0
29
Rajasthan
100%
95%
Implemented
-
Yes
Yes
Yes
25,617
30
Sikkim
100%
82%
Implemented
-
Yes
Yes
Yes
20
31
Tamil Nadu
100%
100%
Implemented
Implemented
Yes
Yes
Yes
34,773
32
Telangana
100%
100%
Implemented
Implemented
Yes
Yes
Yes
4,464
33
Tripura
100%
98%
Implemented
Implemented
Yes
Yes
Yes
25
34
Uttar Pradesh
100%
77%
Implemented
-
Yes
Yes
Yes
2,254
35
Uttarakhand
100%
90%
Implemented
-
Yes
Yes
Yes

8
36
West Bengal
100%
62%
Implemented
Implemented
Yes
Yes
Yes
0
100%
78.67%
30
20
36
34
36
2,45,706

ANNEXURE-II

ANNEXURE REFERRED TO IN REPLY TO PART (d) OF THE UNSTARRED QUESTION NO. 1464 FOR ANSWER ON 25.07.2017
IN THE LOK SABHA

Major Recommendations of High Level Committee and Action Taken thereon

Sl. No.

Recommendations

Action Taken

1.

FCI to hand over all procurement operations of wheat, paddy and rice to states that have gained sufficient experience in this regard and have created reasonable infrastructure for procurement. These States are Andhra Pradesh, Chhattisgarh, Haryana, Madhya Pradesh, Odisha and Punjab.

FCI has already handed over procurement operation to State Governments in Andhra Pradesh, Chhattisgarh, Odisha and Madhya Pradesh fully. FCI is participating in procurement operations in Punjab and Haryana on the request of concerned State Governments.

2.

FCI will accept only the surplus (after deducting the needs of the states under NFSA) from these state govts. (not millers) to be moved to deficit states.

For Decentralized Procurement (DCP) States only surplus food grains are accepted by FCI.

3.

FCI should move on to help those states where farmers suffer from distress sales at prices much below MSP, and which are dominated by small holdings, like Eastern Uttar Pradesh, Bihar, West Bengal, Assam etc.

During KMS 15-16, total quantity of 70.70 LMT rice was procured in comparison to 53.65LMT rice procured during KMS 14-15.

During ongoing KMS 2016-17, 65.83 LMT rice has been procured as on 11.07.2017.

4

DFPD/ FCI at the Centre should enter into an agreement with states before every procurement season regarding costing norms and basic rules for procurement.

GOI has finalized the tripartite MOU between FCI, Non-DCP States and Government of India for procurement of Paddy/Rice.

5

In case of any bonus being given by State on top of MSP, Centre will not accept grains under the central pool beyond the quantity needed by the state for its own PDS/ OWS.

This has been implemented.

6

The statutory levies including commissions need to be brought down uniformly.

The Ministry of Finance has been requested that all State taxes, cess and other charges are subsumed in GST for foodgrain so as to increase the efficiencies of procurement operation and its subsequent movement and sale.

7

Quality checks in procurement have to be adhered to, with the help of mechanized processes of quality checking.

15 computerized rice analyzers have been installed in 15 selected depots for undertaking rice analysis for KMS 2016-17, as pilot project.

8

Levy on rice millers be done away with.

This has been implemented.

9

Negotiable warehouse receipt system (NWRs) should be taken up on priority and scaled up quickly through the Warehousing Development and Regulatory Authority

Government has approved a transformation plan for WDRA to streamline its functions and to increase the use of NWRs. As part of the transformation plan, the rules for registration of warehouses has been amended and notified in order to simplify the registration process.

10

Currently, MSPs are announced for 23 commodities, HLC recommends that pulses and oilseeds deserve priority and GoI must provide better price support operations for them.

In KMS 2016-17, FCI has procured 64737.25MT of Moong, 18234.68 MT of Urad and 175299.03 MT of Tur.

11

FCI should outsource its stocking operations to various agencies.

Instructions to hire CWC/SWC godowns as per existing procedures and to hire godowns through tendering process wherever there is shortfall have been issued.

12

India needs more bulk handling facilities a Silo capacity of about 100 LMT (together for wheat and rice) should be created in the next 3-5 years.

â€¢ Govt. of India has approved Action Plan for construction of 100 LMT silos upto 2019-20.

â€¢ Silos with railway sidings at 6 locations (VGF route) for 2.5 LMT have been sanctioned. 25000 MT silo at Kotkapura has been put to use in RMS 2017-18.

â€¢ State Government of M.P. and Punjab have completed 4.5 LMT and 1.5 LMT Silo respectively.

â€¢ Work has been awarded and Concession Agreements have been signed for 13.5 LMT at 26 locations under Non-VGF route, which are with railway siding.

â€¢ Under DEA-VGF mode at Kaimur & Buxar (total 1 LMT), tenders have been floated.

13

Covered and plinth (CAP) storage should be gradually phased out with no grain stocks remaining in CAP for more than 3 months. Silo bag technology and conventional storages where ever possible should replace CAP.

As per the recommendations of HLC, the hired CAP capacity of 1.94 LMT was de-hired. No stock has been stored in CAP in consuming Regions.

14

Each State, especially the deficit ones in difficult terrain (like hilly areas of North-East, Jammu and Kashmir etc), must have storage of grains for at least three months of their consumption requirement.

Existing storage capacity in NE Zone is 5.47 LMT, which is adequate to store 3 months requirements. Construction works for 16,910 MT are in progress under Plan Scheme and 25,000 MT under PEG scheme.

Total covered storage capacity with FCI in J&K is 2.45 LMT (Owned 1.03 LMT and Hired 1.42 LMT) which is sufficient to store 3 month's requirement. The average monthly allocation in J&K is 0.64 lakh MT.

15

HLC observed huge disparity in wages of various kind of labour force engaged by FCI. This happens because of the incentive system in notified depots, and widely used proxy labour. This must be fixed, either by de-notifying these depots, or handing them over to states or private sector on service contracts, and by fixing a maximum limit on the incentives per person that will not allow him to work for more than say 1.25 times the work agreed with him. These depots should be put on priority for mechanization so that reliance on departmental labour reduces.

HLC recommends that the condition of contract labour, which works the hardest and are the largest in number, should be improved by giving them better facilities.

â€¢ Ministry of Labour & Employment however issued notification dated 06.07.2016 exempting 226 FCI depots/railheads/godowns from the applicability of earlier notification for a period of 2 years

â€¢ Consequent upon Exemption Notification, FCI pooled/ repositioned of 9462 Labourers, out of which 9193 labourers have already repositioned.

â€¢ The recommendation of capping incentive could not be accepted on grounds that it would lead to delay in unloading at the railheads.

â€¢ However in pursuance to the award passed by CGIT, Karkardooma, Delhi on 05.07.2016, the datum of departmental labour has been revised from 105 Bags per worker per day to 135 Bags per worker per day which has resulted in reduction of incentive to about 30%.

â€¢ As such there is likely saving of approx. Rs. 200 Crs. per annum after implementation of revised datum.

â€¢ 30 no's of prototype set of Machines (Bag stacker) comprising of flat belt conveyor and MS stacker were set up at 27 depots across the country on pilot basis. Trial found not successful.

â€¢ Bulk storage & movement of Food grains has been included in the action plan which indirectly emphasizes the mechanical handling of food grains and will thus reduce the labour dependency and requirement.

â€¢ Nodal Officers have also been nominated to ensure better facilities and adequate welfare provisions like EPF, Minimum Wages, ESI, Workmen Compensation etc. and facilities like canteen/restrooms, urinals, and drinking water facilities.

16

To liquidate stocks in OMSS or in export markets, whenever stocks go beyond the buffer stock norms.

Excess stock is disposed through e-auction under OMSS (D).

17.

End to end computerization of TPDS

Details are at Annexure-I

18

Targeted beneficiaries under NFSA or TPDS are given 6 months ration immediately after the procurement season ends.

Instructions allowing the state to lift 6 months allotment at a time have been issued.

19.

Gradual introduction of cash transfer.

Cash transfer for foodgrains has been implemented in three UT i.e. Chandigarh, Puducherry and Dadra & Nagar Haveli (in Urban areas).
